**China Baoli Technologies Holdings Limited**
**中國寶力科技控股有限公司**
*(Incorporated in Bermuda with limited liability)*
**(Stock Code: 164)**

# ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

## ANNUAL RESULTS

The board (the "**Board**") of directors ("**Director(s)**") of China Baoli Technologies Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the consolidated annual results of the Group for the year ended 31 March 2025, together with the comparative audited figures for the year ended 31 March 2024, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2025*

| | Note | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|---|
| Revenue | 4 | **48,246** | 55,294 |
| Cost of revenue | | **(40,801)** | (45,856) |
| Gross profit | | **7,445** | 9,438 |
| Other income, gains and losses, net | 5 | **355** | 15,679 |
| Selling and distribution expenses | | **(277)** | (2,627) |
| Administrative expenses | | **(27,820)** | (32,655) |
| Impairment loss on intangible assets | | **(191)** | (1,196) |
| Reversal of impairment loss (Impairment loss) under expected credit loss model, net of reversal | | **6,483** | (10,291) |
| Impairment loss on goodwill | | **(5,216)** | (1,688) |
| Gain on extinguishment of financial liabilities | | **27,474** | – |
| Share of loss of associates | | **(14)** | (26) |
| Finance costs | 6 | **(9,674)** | (10,338) |
| **Loss before tax** | 7 | **(1,435)** | (33,704) |
| Income tax expense | 8 | **(20)** | – |
| **Loss for the year** | | **(1,455)** | (33,704) |
| **Loss for the year attributable to:** | | | |
| – Owners of the Company | | **(533)** | (30,775) |
| – Non-controlling interests | | **(922)** | (2,929) |
| | | **(1,455)** | (33,704) |
| **Loss per share** | | | |
| – Basic and diluted | 10 | **HK$(0.01)** | HK$(0.38) |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2025*

| | 2025 | 2024 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| **Loss for the year** | **(1,455)** | (33,704) |
| **Other comprehensive (loss) income:** | | |
| *Items that may be reclassified subsequently to profit or loss:* | | |
| Exchange differences arising on translation of foreign operations | **(2,606)** | 75 |
| Other comprehensive (loss) income for the year, net of income tax | **(2,606)** | 75 |
| **Total comprehensive loss for the year** | **(4,061)** | (33,629) |
| **Total comprehensive loss attributable to:** | | |
| Owners of the Company | **(3,035)** | (30,730) |
| Non-controlling interests | **(1,026)** | (2,899) |
| | **(4,061)** | (33,629) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 March 2025*

| | Note | 2025<br>HK$'000 | 2024<br>HK$'000<br>(Restated) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **238** | 439 |
| Right-of-use asset | | **332** | 2,401 |
| Goodwill | | **–** | 5,216 |
| Intangible assets | | **2,005** | 2,227 |
| Derivative financial instruments | | **971** | 17 |
| Interests in associates | | **255** | 269 |
| | | **3,801** | 10,569 |
| **Current assets** | | | |
| Inventories | | **2,390** | – |
| Trade and other receivables | *11* | **59,985** | 56,024 |
| Bank balances and cash | | **7,542** | 1,697 |
| | | **69,917** | 57,721 |
| **Current liabilities** | | | |
| Trade and other payables | *12* | **196,144** | 190,278 |
| Lease liabilities | | **307** | 1,712 |
| Contract liabilities | | **395** | 1,079 |
| Tax payable | | **3,090** | 3,090 |
| Borrowings | | **77,054** | 212,004 |
| Liability component of convertible bonds | | **38,921** | 21,158 |
| | | **315,911** | 429,321 |
| **Net current liabilities** | | **(245,994)** | (371,600) |
| **Total assets less current liabilities** | | **(242,193)** | (361,031) |
| **Non-current liabilities** | | | |
| Lease liabilities | | **–** | 566 |
| Borrowings | | **–** | 2,043 |
| Derivative financial instruments | | **360** | – |
| Liability component of convertible bonds | | **118,262** | 11,090 |
| | | **118,622** | 13,699 |
| **Net liabilities** | | **(360,815)** | (374,730) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**
*At 31 March 2025*

| | *Note* | **2025** **HK$'000** | 2024 HK$'000 (Restated) |
|---|---|---|---|
| **Capital and reserves** | | | |
| Share capital | *13* | **1,072** | 840 |
| Reserves | | **(346,510)** | (361,219) |
| Equity attributable to owners of the Company | | **(345,438)** | (360,379) |
| Non-controlling interests | | **(15,377)** | (14,351) |
| **Total deficit** | | **(360,815)** | (374,730) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of the Stock Exchange. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Suites 3706–3708, 37/F, Dah Sing Financial Centre, 248–256 Queen's Road East, Wanchai, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are dry grinding and dry beneficiation business and convergence media business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

The measurement basis used in the preparation of the consolidated financial statements is historical cost except for derivative financial instruments which are measured at fair value.

## 2. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

### 2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 and relevant to the Group for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HK Interpretation 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on demand Clause |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finace Arrangements |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |

***Amendments to HKAS 1: Classification of Liabilities as Current or Non-current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments results in classification of the liability component of convertible bonds in aggregate principal amount of RMB20,000,000 under Specific Mandate (the "**2023 SM Convertible Bonds**") issued on 30 June 2023 of approximately HK$21,695,000 as current liabilities in the Group's consolidated statement of financial position at 31 March 2025 and retrospective reclassification of the liability component of the 2023 SM Convertible Bonds of approximately HK$21,158,000 (previously under non-current liabilities) as current liabilities in the Group's consolidated statement of financial position at 31 March 2024. The Group's consolidated statement of financial position at 1 April 2023 was not presented as the retrospective application has no material impact on the information in the consolidated statement of financial position at the beginning of the preceding period.

The table below summarises the impact as a result of the reclassification:

| | **As previously reported** | **Effect** | **As restated** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| At 31 March 2024 | | | |
| **Current liabilities** | | | |
| Liability component of convertible bonds | – | 21,158 | 21,158 |
| **Total current liabilities** | 408,163 | 21,158 | 429,321 |
| **Non-current liabilities** | | | |
| Liability component of convertible bonds | 32,248 | (21,158) | 11,090 |
| **Total non-current liabilities** | 34,857 | (21,158) | 13,699 |

***Amendments to HKAS 1: Non-current Liabilities with Covenants***

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

***Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause***

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments on this Interpretation does not have any significant impact on the consolidated financial statements.

*Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements*

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

*Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback*

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

**2.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability [1] |
| Amendments to HKFRS 9 and HKFRS 7 | Classification and Measurement of Financial Instruments [2] |
| Annual Improvements to HKFRS Accounting Standards | Volume 11 [2] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity [2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements [3] |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures [3] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4] |

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] The effective date to be determined

The directors of the Company are in the process of assessing the possible impact on the future adoption of the new/revised HKFRS Accounting Standards but not yet in a position to reasonably estimate their impact on the Company's consolidated financial statements.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements for the year ended 31 March 2025 have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Companies Ordinance ("**CO**"). The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 March 2024 except for the adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group as detailed in Note 2.1 above.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### 3.2 Going concern

The Group incurred a loss of HK$1,455,000 for the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by HK$245,994,000 and the Group had net liabilities of HK$360,815,000 as at 31 March 2025. As at the same date, the Group's borrowings and liability component of convertible bonds amounted to HK$234,237,000 in aggregate, while its cash and cash equivalents amounted to HK$7,542,000 only. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

*(1)* ***Fund-raising activities***

The Group has completed several fund-raising activities during the year including (i) the placing of shares for a total of 13,418,000 ordinary shares at the placing price of HK$1.070 per share on 2 July 2024, the net proceed from the placing, after deducting of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) amounted to approximately HK$13,757,000; (ii) the issue of convertible bonds in the principal amount of HK$6,000,000 on 12 July 2024; and the share subscription for a total of 9,756,096 ordinary shares at the subscription price of HK$0.41 per share on 18 October 2024, the net proceeds from the subscriptions (after deducting the professional fees and other related costs and expenses incurred in the subscriptions) amounting to approximately HK$4,000,000. In addition to these successful fund-raising activities in the current year, the Group will continue to seek various fund-raising opportunities including but not limited to rights issue, placing and issue of new convertible bonds, depending on the prevailing market conditions and the development of the Group's core businesses. In order to achieve the best interest of the Group and the shareholders of the Company as a whole, the Group will also seek the professional's advice from the financial advisors and consultants in conducting these fund-raising activities.

*(2)* ***Loans capitalisation***

The Company has been actively negotiating loans capitalisation with various existing lenders. Completion of the loan capitalisation may be subject to, amongst others, the grant of listing approval of the issue of new shares by the Stock Exchange and approval by the Shareholders.

*(3)* ***Extension the terms of loans***

On 11 April 2024, the Group entered into a settlement agreement with a creditor, Chongqing Zifeng Business Partnership (Limited Partnership) ("CQ Zifeng"), pursuant to which the Group and CQ Zifeng agreed to a settled amount of RMB131,577,000 (equivalent to HK$142,438,000), in which RMB3,207,000 (equivalent to HK$3,434,000) would be settled by cash while the remaining of RMB128,370,000 (equivalent to HK$139,004,000) would be settled by the issuance of convertible bonds of the Company. On 23 October 2024, the Company completed the issue of the convertible bonds to CQ Zifeng in aggregate principal amount of RMB128,370,000 (equivalent to HK$139,004,000) for the purpose of extension of the original loan. Upon the completion of the issue of the convertible bonds, the loan from CQ Zifeng of RMB138,022,000 (equivalent to HK$147,744,000) included in unsecured other borrowings from third parties under the current liabilities in the Group's consolidated statement of financial position at 31 March 2024 was converted into the liability component of convertible bonds of HK$5,414,000 and HK$111,896,000 under current liabilities and non-current liabilities in the Group's consolidated statement of financial position at 31 March 2025 respectively.

Also, the Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment any until the Group has successfully completed the contemplated fund-raising exercises and obtained sufficient cash flows therefrom.

*(4) Cost control*

The Group will continue to control administrative costs and unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending.

***(5) Application of dry grinding and dry beneficiation ("DGDB") technologies into different industries***

The Group has continued to expand the applications of the DGDB technologies including but not limited to coal mine processing in Mongolia. It is expected that the profitability of the Group will be improved if the applications of the DGDB technologies are successful.

Through fund-raising exercises and continuing the abovementioned business strategies, the directors of the Company believe that the Group would be able to meet its financial obligations and fulfill its operational needs while obtaining additional financing resources in pursuing other businesses.

The Directors of the Company have prepared a cash flow forecast covering a period up to 31 March 2026 on the basis that the Group's aforementioned plans and measures will be successfully implemented, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures is in progress, uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would also depend on its ability to generate adequate cash flows for its operation.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

## 4. REVENUE

**Disaggregation of revenue from contracts with customers**

**For the year ended 31 March 2025**

| | **Convergence media business** *HK$'000* | **Dry grinding and dry beneficiation business** *HK$'000* | **Total** *HK$'000* |
|---|---|---|---|
| **Types of goods or service** | | | |
| Multi-media and advertising service | **36,898** | **–** | **36,898** |
| Sale of goods | **–** | **11,348** | **11,348** |
| **Total** | **36,898** | **11,348** | **48,246** |
| **Timing of revenue recognition** | | | |
| A point in time | **–** | **11,348** | **11,348** |
| Over time | **36,898** | **–** | **36,898** |
| **Total** | **36,898** | **11,348** | **48,246** |
| **Type of customer** | | | |
| Corporate | **36,898** | **11,348** | **48,246** |

For the year ended 31 March 2024

| | Convergence media business *HK$'000* | Dry grinding and dry beneficiation business *HK$'000* | Total *HK$'000* |
|---|---|---|---|
| Types of goods or service | | | |
| Multi-media and advertising service | 49,696 | – | 49,696 |
| Sale of goods | – | 5,598 | 5,598 |
| Total | 49,696 | 5,598 | 55,294 |
| Timing of revenue recognition | | | |
| A point in time | – | 5,598 | 5,598 |
| Over time | 49,696 | – | 49,696 |
| Total | 49,696 | 5,598 | 55,294 |
| Type of customer | | | |
| Corporate | 49,696 | 5,598 | 55,294 |

## 5. OTHER INCOME, GAINS AND LOSSES, NET

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Net fair value gain on derivative component of convertible bonds | **576** | 1,054 |
| Exchange (loss) gain, net | **(1,225)** | 8,105 |
| Waiver of other payable | **–** | 5,972 |
| Others | **1,004** | 548 |
| | **355** | 15,679 |

## 6. FINANCE COSTS

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interests on: | | |
| Placing notes at effective interest rates | **1,500** | 1,500 |
| Convertible bonds payable at effective interest rates | **4,726** | 1,730 |
| Borrowings | **3,337** | 6,776 |
| Lease liabilities | **111** | 332 |
| | **9,674** | 10,338 |

## 7. LOSS BEFORE TAX

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| This is after charging: | | |
| Staff costs | | |
| – directors' emoluments | **4,650** | 4,586 |
| – salaries and other benefits in kind | **8,236** | 5,010 |
| – retirement benefits scheme contributions | **578** | 115 |
| | **13,464** | 9,711 |
| Auditors' remuneration | **1,440** | 1,400 |
| Cost of inventories | **11,205** | 5,607 |
| Depreciation of property, plant and equipment | **208** | 166 |
| Depreciation of right-of-use assets | **1,498** | 1,706 |
| Development cost on iron ore dry grinding and dry beneficiation business (included in administrative expenses) | **–** | 3,084 |
| Amortisation of intangible asset (included in cost of revenue) | **29** | 29 |

*Note:* Staff costs amounted to approximately HK$13,464,000 (2024: approximately HK$9,711,000) have been included in administrative expenses.

## 8. INCOME TAX EXPENSE

| | 2025 | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current tax – The People's Republic of China (the "**PRC**") | **20** | – |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit. No provision for taxation in Hong Kong has been made for both years ended 31 March 2025 and 2024 as the Group's subsidiaries in Hong Kong incurred a loss for taxation purpose.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% for both years ended 31 March 2025 and 2024.

## 9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

| | 2025 | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share | **(533)** | (30,775) |

| | 2025 | 2024 |
|---|---|---|
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | **98,461** | 80,727 |

The weighted average number of ordinary shares are disclosed above has been reflected the effect of the 2024 placing and the Share subscription as defined in note 13(c) and 13(d) respectively.

The computation of diluted loss per share for the years ended 31 March 2025 and 2024 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares.

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary share, convertible bonds has anti-dilutive effects during the years ended 31 March 2025 and 2024.

## 11. TRADE AND OTHER RECEIVABLES

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **28,004** | 35,093 |
| Less: Allowance for credit losses | **(3,904)** | (10,911) |
| Trade receivables, net *(Note a & b)* | **24,100** | 24,182 |
| Other receivables and deposits | **33,381** | 24,726 |
| Prepayments | **5,509** | 9,597 |
| | **38,890** | 34,323 |
| Less: Allowance for credit losses | **(3,005)** | (2,481) |
| Other receivables, prepayments and deposits, net | **35,885** | 31,842 |
| Trade and other receivables, net | **59,985** | 56,024 |

*Notes:*

(a) The credit term granted to the Group's trade debtors generally ranged from 0 days to 30 days (2024: 0 days to 30 days).

(b) The following is an ageing analysis of trade receivables net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 to 30 days | **2,697** | 2,332 |
| 31 to 90 days | **2,581** | – |
| 91 to 180 days | **225** | 7,859 |
| 181 to 365 days | **56** | 9,878 |
| Over 365 days | **18,541** | 4,113 |
| | **24,100** | 24,182 |

The Group does not hold any collateral over these balances.

## 12. TRADE AND OTHER PAYABLES

| | 2025 | 2024 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Trade payables *(Note a)* | **25,736** | 31,896 |
| Other payables and accruals | **23,883** | 22,746 |
| Accrued staff costs | **14,657** | 11,301 |
| Amounts due to shareholders and directors | **79,824** | 81,878 |
| Amounts due to employees | **13,735** | 11,885 |
| Deposit received | **17,640** | 15,640 |
| Interest payable on other borrowings and bank borrowings | **7,658** | 3,901 |
| Interest payable on convertible bonds | **1,007** | 527 |
| Interest payable on placing notes | **12,004** | 10,504 |
| | **170,408** | 158,382 |
| | **196,144** | 190,278 |

*Note:*

(a) The following is an ageing analysis of trade payables presented based on the invoice date:

| | 2025 | 2024 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Up to 30 days | **5,436** | 2,527 |
| 31 to 90 days | **603** | 210 |
| 91 to 180 days | **165** | 7,526 |
| 181 to 365 days | **8** | 15,053 |
| Over 365 days | **19,524** | 6,580 |
| | **25,736** | 31,896 |

The credit term granted by the trade creditors generally ranged from 7 days to 45 days (2024: 30 days to 45 days).

## 13. SHARE CAPITAL

| | Par value per share<br>*HK$* | Number of shares<br>*'000* | Amount<br>*HK$'000* |
|---|---|---|---|
| Ordinary shares: | | | |
| Authorised: | | | |
| At 1 April 2023 | 0.01 | 65,000,000 | 650,000 |
| Share consolidation *(Note a(i))* | N/A | (58,500,000) | – |
| Share subdivision *(Note a(ii) & (iii))* | N/A | 58,500,000 | – |
| At 31 March 2024, 1 April 2024 and **31 March 2025** | **0.01** | **65,000,000** | **650,000** |
| Issued and fully paid: | | | |
| At 1 April 2023 | 0.01 | 725,881 | 7,260 |
| Share consolidation *(Note a(i))* | N/A | (653,293) | – |
| Capital reduction *(Note a(ii) & (iii))* | N/A | – | (6,534) |
| Issue of shares in respect of conversion of convertible bonds *(Note (b))* | 0.01 | 11,429 | 114 |
| At 31 March 2024 | 0.01 | 84,017 | 840 |
| Issuance of shares in respect of placing *(Note (c))* | 0.01 | 13,418 | 134 |
| Issuance of shares in respect of share subscription *(Note (d))* | 0.01 | 9,756 | 98 |
| **At 31 March 2025** | **0.01** | **107,191** | **1,072** |

*Notes:*

(a) As disclosed in the circular of the Company dated 23 May 2023 and pursuant to a special resolution passed at the Company's special general meeting held on 16 June 2023 (the "SGM"), the capital reorganisation (the "Capital Reorganisation") which comprises the share consolidation, capital reduction and share subdivision are disclosed in details as below:

(i) Pursuant to a special resolution passed at the SGM, a share consolidation on the basis that every ten existing issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company be consolidated into one consolidated share of a par value of HK$0.1 each in the share capital of the Company (the "Consolidated Share 2023") with effective from 20 June 2023 (the "Share Consolidation 2023");

(ii) Pursuant to a special resolution passed at the SGM, the Company's issued share capital has been reduced by cancelling any fraction of Consolidated Share 2023 in the issued share capital of the Company arising from the Share Consolidation 2023 and the par value of all issued Consolidated Share 2023 be reduced from HK$0.1 each to HK$0.01 each (the "New Shares") by cancelling the paid-up capital of the Company to the extent of HK$0.09 on each of the Consolidated Share 2023 in issue (the "Capital Reduction"). The credit arising from the Capital Reduction of HK$6,534,000 was transfer to the contributed surplus account of the Company; and

(iii) Pursuant to a special resolution passed at the SGM, every authorised but unissued Consolidated Share 2023 in the share capital of the Company be sub-divided into ten new shares of a par value of HK$0.01 each (the "Share Subdivision").

(b) On 17 July 2023, the Company allotted and issued 11,428,571 ordinary shares upon maturity of the convertible bonds in aggregate principal amount of HK$40,000,000 under specific mandate pursuant to the subscription agreement and supplementary subscription agreement dated 21 April 2022 and 14 June 2022 respectively.

(c) On 7 May 2024, the Company entered into a placing agreement (the "2024 Placing Agreement") with a placing agent (the "2024 Placing Agent"), pursuant to which the Company agreed to place through the 2024 Placing Agent, on a best effort basis, of up to 16,803,334 placing shares to not less than six (6) placees (the "2024 Placing") at the placing price of HK$1.030 per placing share. On 28 May 2024, a supplementary agreement was signed and the placing price is adjusted from HK$1.030 to HK$1.070. The 2024 Placing had been completed on 2 July 2024 and a total of 13,418,000 placing shares (the "2024 Placing Shares") were placed at the placing price of HK$1.070 per placing share.

The net proceeds from the 2024 Placing amounted to approximately HK$13,757,000 and were used for (i) settlement of the outstanding liabilities of the Group in the amount of approximately HK$9,300,000; (ii) development of the business of the Group in the amount of approximately HK$2,700,000; and (iii) general working capital of the Group in the amount of approximately HK$1,757,000. Details of the Placing were disclosed in the Company's announcements dated 7 May 2024, 28 May 2024, 11 June 2024 and 2 July 2024 respectively.

(d) On 4 October 2024, the Company entered into 4 subscription agreements with 4 subscribers (the "Subscribers"), pursuant to which the Company agreed to allot and issue and the Subscribers agreed to subscribe for an aggregate of 9,756,096 ordinary shares at a price of HK$0.41 per share (the "Share Subscription"). The Share Subscription had been completed on 18 October 2024 and the net proceeds from the Share Subscription amounted to approximately HK$4,000,000 were used for (i) settlement of the outstanding debt owing by the Company to certain Subscribers in the aggregate amount of approximately HK$2,000,000; and (ii) general working capital of the Group in the amount of approximately HK$2,000,000. Details of the Share Subscription were disclosed in the Company's announcements dated 4 October 2024 and 18 October 2024 respectively.

All the shares which were issued during the year ended 31 March 2025 rank pari passu with the then existing shares in all respects.

## EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from Forvis Mazars CPA Limited, the external auditor of the Group, on the Group's consolidated financial statements for the year ended 31 March 2025 which has included a disclaimer of opinion:

## DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

## BASIS FOR DISCLAIMER OF OPINION

### Material Uncertainty Related to Going Concern

As stated in Note 3.2 to the consolidated financial statements, the Group incurred a loss of approximately HK$1,455,000 for the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK$245,994,000 and the Group had net liabilities of approximately HK$360,815,000. As at the same date, the Group's borrowings and liability component of convertible bonds amounted to approximately HK$234,237,000 in aggregate, while its cash and cash equivalents amounted to approximately HK$7,542,000 only. The circumstances and conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to operate as going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 3.2 to the consolidated financial statements, the consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of the going concern basis dependent on the assumption that the Group would be successful in obtaining sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reclassify non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise.

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are dry grinding and dry beneficiation ("**DGDB**") business and the convergence media business.

During the year ended 31 March 2025, the global economy faced persistent challenges marked by high inflation, elevated interest rates, and geopolitical tensions. Despite some easing in energy prices, overall economic recovery was uneven.

In Mainland China, structural issues such as weak private sector sentiment continued to constrain economic momentum, which adversely affected business activities and consumer demand.

For the year ended 31 March 2025, the Group recorded a consolidated revenue of approximately HK$48,246,000 (2024: approximately HK$55,294,000) mainly contributed from the titanium dioxide distribution and the convergence media advertising businesses. Gross profit for the year ended 31 March 2025 was HK$7,445,000 (2024: HK$9,438,000). The gross profit margin decreased slightly by 2 percentage points, which was mainly contributed by the increased market competition in both business segments.

The net loss for the year ended 31 March 2025 was approximately HK$1,455,000, as compared with the net loss of approximately HK$33,704,000 for the year ended 31 March 2024. The decrease in the net loss for the year ended 31 March 2025 was mainly attributable to the reversal of impairment loss under expected credit loss model of HK$6,483,000, the gain on extinguishment of financial liabilities of HK$27,474,000 and the effective cost control as shown in the reduction of administrative expenses.

### Dry Grinding and Dry Beneficiation Business

During the year under review, the DGDB business progressed further along its commercialization path, moving beyond the initial revenue phase to establish a stronger foundation for scalable growth. For the year ended 31 March 2025, the Group recorded revenue of approximately HK$11,348,000 from its titanium dioxide distribution business in Mainland China, as compared to HK$5,598,000 for the corresponding period of last year, representing the early-stage commercial deployment of DGDB-related solutions. Building on this momentum, the Group aims to accelerate revenue growth by advancing its commercialization strategy and deepening industry partnerships across the global resources sector.

To enhance its DGDB capabilities, the Group has strengthened collaborations with technology partners and successfully expanded the application of DGDB technologies to new ore varieties, including titaniferous iron ore. This diversification has enabled the Group to access new market segments while maintaining its established position in iron ore beneficiation.

Reference is made to the announcement of the Company dated 8 December 2024 in relation to a strategic cooperation agreement. The strategic cooperation agreement provides the Group with exclusive rights in mining production, including processing technology, transportation, and coal sales with respect to the coal mine in Mongolia. The target is to gradually ramp up production to 2 million tons per year with an eventual aim of 5 million tons per year upon the completion of transportation infrastructure. The entering into the strategic cooperation agreement marks a significant step in the Company's strategy to enhance its position in the mining processing technology sector. This partnership also integrates mobile DGDB operations with pit-head power generation, aligning with industry trends to reduce environmental impact and enhance adaptability.

**Convergence Media Business**

The convergence media business recorded a revenue of approximately HK$36,898,000 for the year ended 31 March 2025 (2024: approximately HK$49,696,000). The segment faced significant challenges due to continued market contraction and heightened competition across digital platforms in the PRC. Reduced advertising budgets and shorter campaign durations among clients contributed to a decline in overall revenue. Despite these headwinds, the Group remained committed to maintaining its presence in targeted industry sectors while refining its service offerings.

In 2025, the Group has expanded its convergence media business to provide content promotion service to the customers by distributing contents on major social media platforms including Tencent (騰訊) and Kuaishou (快手). Through these platforms, the Company tailors marketing and sales strategies of customers to match audience behaviors, ensuring optimal advertising performance and user engagement.

During the year ended 31 March 2025, the Group also secured advertising contracts including lightbox advertisements, outdoor LED mall displays, and promotional video production. Notable clients included well-known brands such as Suntory, Kotex, Siyanli, Breeze and China Feihe.

Given the intensified competition in the convergence media landscape, the Group remains focused on enhancing its service offerings, deepening partnerships, and accelerating innovation. These efforts aim to improve efficiency, reduce costs, and strengthen the Group's market position despite industry challenges.

**Other Operations – Investment, Securities Trading and Tourism and Hospitality Business**

In addition to its core business segments, the Group is actively monitoring market developments and is well-positioned to pursue suitable business opportunities in its operations and investments in the region as and when they arise.

**Business Model and Business Strategy**

Diversification continues to be the cornerstone of the Group's business strategy. The Group is committed to achieving long-term sustainable growth while enhancing shareholder value. The Group is focused on looking for attractive investment opportunities to strengthen and widen its business scope.

Prudent financial management remains a key focus across all business segments. The Group continues to monitor its capital structure and liquidity position carefully and will consider fund-raising activities when appropriate to support business development.

## PROSPECTS

Looking ahead to the second half of 2025 and beyond, the Group remains cautiously optimistic amid ongoing macroeconomic uncertainties, including elevated interest rates, tight credit conditions, and geopolitical volatility. In response, the Group is undertaking a strategic shift to prioritise scalable, technology-driven operations within the mining and digital infrastructure sectors.

The Group will continue to maintain and develop its existing businesses and allocate time and resources to higher-margin and more resilient areas. The Group will also continue to identify new business opportunities. In the light of the continuing development of the distribution and trading of titanium dioxide in the PRC, on which provided a milestone for sustaining the coal mining business, the Group is now exploring the coal mining processing technologies applications and will establish its presence in Mongolia and other mineral-rich countries, aiming to establish a broader international footprint.

Additionally, the Group is exploring opportunities to leverage cost-effective power generated from pithead facilities at coal mine sites. This power can be utilized for data centre development and cryptocurrency mining initiatives. With its successful implementation, the overall production cost can be reduced to improve the overall competitiveness of our coal products. This initiative is expected to drive additional business growth, generated additional revenue and enhances the Group's profitability, delivering long-term benefits to the Group and the Shareholders of the Company.

Looking ahead, the Group will continue exploring the integration of its DGDB business with digital infrastructure applications. With rising demand for power in cryptocurrency mining and data centres, the Group is assessing opportunities to leverage its low-cost energy capacity. Following the commencement of coal mine processing, the Company is working with partners to evaluate the feasibility of these segments. While offering strategic advantages, any large-scale development will depend on careful assessment of industry trends, regulations, technology, and market demand.

These initiatives reflect the Group's commitment to sustainable industrial practices and aligning with China's "dual carbon" goals and the global shift towards low-emission technologies. The Group's DGDB technologies are well-positioned to support the transformation of the steel and mining sectors toward more environmentally responsible production methods.

Through these combined efforts, the Group is confident in its ability to drive sustainable growth, improve operational efficiency, and deliver long-term value to shareholders.

**Liquidity and Financial Resources**

As at 31 March 2025, the Group had bank balances and cash of approximately HK$7,542,000 (2024: approximately HK$1,697,000), and the Group had total borrowings including liability component of convertible bonds of approximately HK$234,237,000 (2024: approximately HK$246,295,000), of which borrowings of 24.6% was in HK$ and 75.4% was in Renminbi and of which borrowings within one year was HK$115,975,000 (2024: HK$233,162,000), accounting for 49.5% (2024: 94.7%) of the total borrowings. The gearing ratio, being the ratio of the sum of total borrowings to total deficit, was 64.9% as at 31 March 2025 (2024: 65.7%). The liquidity ratio, being the ratio of current assets over current liabilities, was 22.1% as at 31 March 2025 (2024: 13.4%). The improved liquidity ratio was due to effective debt restructuring initiatives, including placing and the extension the terms of loans in relation to the settlement agreement signed with CQ Zifeng on 11 April 2024. The debt restructuring initiatives also resulted in a significant reduction in finance costs to HK$9,674,000 (2024: HK$10,338,000).

The Group mainly holds cash and cash equivalents in RMB, United States dollars and HK$.

As at 31 March 2025, the Group's other borrowings with fixed interest rates accounted for approximately 96.5% (2024: approximately 37.5%) of total borrowings.

**Reversal of impairment loss (Impairment Loss) under Expected Credit Loss ("ECL") Model, Net of Reversal**

Reversal of impairment loss (Impairment losses) under ECL model, primarily represented the net impairment losses on trade and other receivables in respect of impairment assessment in accordance with HKFRS 9 as at 31 March 2025. In assessing the ECL of the Group's trade and other receivables, a credit rating analysis of the underlying debtors was adopted by reviewing the past-due status, ageing information, available press information and credit loss experience over the past years of the grouped debtors and the forward-looking information to estimate the probability of default of the Group's receivables as at 31 March 2025. The Group has also engaged an independent professional valuer for assessing the allowance for ECL on trade and other receivables. During the year ended 31 March 2025, there was a reversal of impairment loss under ECL on trade and other receivables of approximately HK$6,483,000 (2024: Impairment loss of HK$10,291,000).

Included in the impairment loss for other receivables, prepayments and deposits, HK$2,255,000 (2024: HK$1,275,000) represented the impairment loss on the amounts due from a licensor (the "**Licensor**") in aggregate of gross balances of HK$15,258,000 (2024: HK$15,063,000) at the end of the reporting period. No settlement was received by the Group during the reporting period because the litigation against the Licensor is still in progress. In the opinion of the Directors, there was no detrimental event known by the Group that indicates the amounts due from the Licensor were credit impaired. The Group adopts a consistent approach in estimating the expected credit loss of these amounts due from the Licensor as other receivables with additional consideration of the lengthened expected collection period due to the litigation.

There is a reversal of impairment loss under expected credit loss for trade receivables of HK$7,007,000 under the assessment performed by an independent professional valuer which is mainly due to a settlement during a year and a settlement arrangement confirmed with a major customer after the end of the reporting period.

**Capital Commitments**

As at 31 March 2025, the Group had capital commitments contracted but not provided for in the consolidated financial statements of approximately HK$152,801,000 (2024: approximately HK$152,114,000).

**Pledge of Assets**

As at 31 March 2024 and 31 March 2025, the Group did not pledge any assets to secure the borrowings granted to the Group.

**Contingent Liabilities**

As at 31 March 2025, except those as disclosed in the section of "**Litigations**", the Group had no other significant contingent liabilities (2024: Nil).

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On 18 February 2025, the Company proposed a rights issue ("**Rights Issue**") up to 428,763,076 rights shares (assuming no change in the number of shares in issue on or before the record date and full subscription under the Rights Issue) or 506,363,852 rights shares (assuming no change in the number of shares in issue on or before the record Date other than full conversion of the 2024 SM Convertible bonds and Convertible bonds in aggregate principal amount of HK$12,000,000 under General Mandate full exercise of the outstanding share options and full subscription under the Rights Issue) ("**Rights Share**"), to raise gross proceeds of up to HK$171,505,000 or HK$202,545,000 respectively at a subscription price of HK$0.40 per Rights Share on the basis of four Rights Share for every one existing share on a non-underwritten basis to the qualifying shareholders ("**Qualifying Shareholders**") whose name appear on the register of members of the Company on 23 April 2025. Up to 19 May 2025, 16 valid acceptances and applications in respect of a total of 6,736,954 Rights Shares had been received, representing approximately 1.571% of the total number of 428,763,076 Rights Shares available for subscription under the Rights Issue.

On 21 May 2025, the Company and a placing agent (the "**Placing Agent**") entered into a second supplemental agreement to extend the latest placing time to 6 June 2025. On 5 June 2025, the Company and the Placing Agent entered into a third supplemental agreement to further extend the latest placing time to 4 July 2025 or such later date as the Company and the Placing Agent may agree in writing.

Up to the date of the consolidated financial statements, The Rights Issue is not completed. Details of the Rights Issue are set out in the Company's announcements dated 18 February 2025, 14 March 2025, 21 May 2025 and 5 June 2025 and circular dated 28 March 2025 and prospectus dated 30 April 2025.

## LITIGATIONS

(i) On 20 August 2013, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Placing Notes carry interest at 5.0% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. One creditor purportedly a beneficial owner of the Placing Notes commenced court action against the Company for recovery of her alleged outstanding debt due by the Company to her under the Placing Notes. Nevertheless, the note holders of the Placing Notes have not commenced any court action against the Company. Such creditor's alleged debt amount includes the principal of HK$10 million and outstanding interest of HK$1.26 million.

On 16 March 2020, the Placing Agent was added by such creditor as the second defendant in the Amended Writ of Summons and Amended Statement of Claim. On 4 December 2020, the Company filed and served a Writ of Summons and Statement of Claim against the Placing Agent. A mediation conference was held on 13 September 2021 and the mediation ended without agreement. On 31 January 2022, the Court of First Instance of the High Court of Hong Kong (the "**Court**") granted an order that the aforesaid two court actions be heard and tried together at the same time or one after the other as to be directed by the trial judge. On 20 June 2022, the Company filed and served its Re-Amended Defence and Counterclaim under one court action and its Re-Amended Statement of Claim and Writ of Summons under another court action.

On 8 February 2023, the Court issued an order that the case management summons conference hearing in the aforesaid two actions which was held on 11 July 2023 and adjourned to 18 December 2023. On 27 September 2023, the Company has taken out applications for expert directions and adducing supplemental witness statements. On 18 December 2023, the Court issued an order that a case management conference hearing was to be held on 18 April 2024.

On 18 April 2024, the Court issued an order that such creditor set the case down within 42 days for a 12-day trial. Applications to set down for trial were filed and served on 13 May 2024 and 28 May 2024 respectively and approved by the Court on 7 June 2024. On 25 July 2024, a pre-trial review is scheduled to be heard on 27 November 2025 and a 12-day trial is reserved from 2 to 17 Mach 2026 to be tried by the Court for the aforesaid two court actions.

(ii) In July 2020, Hong Kong Made (Media) Limited ("**Hong Kong Made**") and Ample Success Limited ("**Ample Success**") had entered into an agreement with the Licensor (as defined in note 23(c)) to obtain the advertising license rights for the period from 1 July 2019 to 30 June 2022 in connection with the GSCR Hexiehao Trains (the "**2019 Advertising License Rights Agreement**") and were the exclusive agents in connection with the advertising agency services and related production services for GSCR Hexiehao Trains. In June 2021, the Group had entered into another agreement with the Licensor to extend the term of the Advertising License Rights for the period from 1 July 2022 to 30 June 2025 (the "**2021 Advertising License Rights Agreement**").

In September 2022, the Group was in dispute with the Licensor on certain terms of the 2021 Advertising License Rights Agreement and the Group, as plaintiff, lodged legal proceedings against the Licensor (the "**Defendant**") in Guangzhou Nansha People's Court, (the "**Nansha Court**") in respect of the breach of the 2021 Advertising License Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to HK$6,045,000); (iii) refund of over-charged license fees of RMB8,917,000 (equivalent to HK$10,163,000); and (iv) other damages such as losses, interest and legal fees etc. (the "**2022 PRC Court Action**").

In December 2022, the Group also lodged another legal proceedings against the Defendant in the Court of First Instance of Hong Kong Special Administrative Region (the "**CFI of Hong Kong**") for (i) rescinding the 2019 Advertising License Rights Agreement and the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to HK$6,045,000) (iii) refund of over-charged license fees of RMB15,533,000 (equivalent to HK$17,716,000); and (iv) other damages such as losses, interest and legal fees etc. (the "**2022 Hong Kong Court Action**").

On 20 February 2023, the Defendant, lodged a counterclaim against the Group in the Nansha Court (the "**Counterclaim**") for (i) the repayment of the outstanding license fee and the interest arose due to late payment of RMB18,960,000 (equivalent to HK$21,626,000); (ii) confiscation of the deposit paid of RMB5,300,000 (equivalent to HK$6,045,000); and (iii) other damages. On 13 June 2023, the Defendant revoked the Counterclaim. On the same date, the Nansha Court determined to cancel the 2022 PRC Court Action on the basis that there was parallel litigation with certain overlapping issues between the 2022 PRC Court Action and the 2022 Hong Kong Court Action (the "**Overlapping Jurisdiction Judgement**").

On 20 June 2023, the Group submitted an amendment on its Statement of Claim to the CFI of Hong Kong for (i) rescinding the 2019 Advertising License Rights Agreement; (ii) refund of overcharged license fees of RMB12,468,000 (equivalent to HK$13,502,000); and (iii) other damages such as losses, interest and legal fees etc. (the "**2023 Hong Kong Court Action**"). Up to the date of the consolidated financial statements, the CFI of Hong Kong has not issued any judgement in relation to the 2023 Hong Kong Court Action. Up to the date of the consolidated financial statements, it is pending for the Group to lodge the application of schedule hearing to the CFI of Hong Kong.

On 13 July 2023, the Group lodged another legal proceeding against the Defendant in the Nansha Court in relation to the 2021 Advertising License Rights Agreement for (i) rescinding the 2021 Advertising License Rights Agreement; (ii) refund of deposit paid of RMB5,300,000 (equivalent to HK$5,739,000); (iii) refund of over-charged license fees of RMB8,917,000 (equivalent to HK$9,656,000); and (iv) other damages such as losses, interest and legal fees etc. (the "**2023 PRC Court Action**"). In September 2023, the Group lodged an application in Nansha Court to freeze the bank balances or seize or detain other assets under the name of the Defendant (the "**Application**") The Application had been approved by the Nansha Court and the value of seized bank balance or other assets was insignificant.

In response to the Overlapping Jurisdiction Judgement determined by the Nansha Court in June 2023, the Defendant and the Group have lodged objections on 26 September 2023, 12 October 2023 and 24 November 2023 respectively.

On 12 December 2023, the Nansha Court determined to dismiss the 2023 PRC Court Action. The Group lodged an appeal to Guangzhou Intermediate People's Court (the "**Guangzhou Court**") on 3 January 2024 (the "**Appeal**") and was accepted by the Guangzhou Court on 6 March 2024. On 16 July 2024, the Guangzhou Court affirmed the judgement made by the Nansha Court on 12 December 2023 and determined to dismiss the Appeal.

In May 2025, the Group lodged another legal proceeding against the Defendant in the Luohe Municipal Yancheng District People's Court (the "**Luohe Court**") relevant to the 2021 Advertising License Rights Agreement with the same claim amounts as 2023 PRC Court Action and was accepted for filing by the Luohe Court on 13 May 2025 (the "**2025 Luohe Court Action**").

Up to the date of the consolidated financial statements, the Luohe Court has not issued any judgement in relation to the 2025 Luohe Court Action.

Save as disclosed above, there were no other material litigations expected to result in a significant adverse effect on the financial position of the Group, either collectively or individually. Management believes that adequate provisions have been made in respect of such litigations.

## DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

## CORPORATE GOVERNANCE

Good corporate governance has always been recognised as vital to the Group's success and sustainable development. The Company has committed itself to a high standard of corporate governance and has devoted considerable efforts in identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provisions (the "**Code Provision(s)**") as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**CG Code**"), that are considered to be relevant to the Group, and has complied with all of the Code Provisions for the time being in force throughout the year under review, except the following deviation. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 March 2025, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "**Model Code**").

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year under review and up to the date of this announcement.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. Chan Kee Huen (Chairman), Michael, Mr. Chan Fong Kong, Francis and Mr. Feng Man.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 March 2025 with the Group's management and the Company's external auditor.

## SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2025, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year then ended as set out in the preliminary result announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2025. The work performed by Forvis Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary result announcement.

## PUBLICATION OF FINAL RESULTS AND 2024-25 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange and the Company. The Company's 2024/25 annual report containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company who have already provided instructions indicating the preference to receive hard copies and will be published on the websites of the Stock Exchange and the Company by the end of July 2025.

By order of the Board
**China Baoli Technologies Holdings Limited**
**Chu Wei Ning**
*Executive Director and Chief Executive Officer*

Hong Kong, 30 June 2025

*As at the date of this announcement, the executive Directors are Mr. Wang Bin (Chairman), Mr. Zhang Yi (Vice Chairman), Ms. Chu Wei Ning (Chief Executive Officer) and Ms. Lam Sze Man; and the independent non-executive Directors are Mr. Chan Fong Kong, Francis, Mr. Chan Kee Huen, Michael and Mr. Feng Men.*

* *For identification purpose only.*